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CIA/ONE/STAFF MEM/3-61
CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

16 January 1961

STAFF MEMORANDUM NO. 3-61 (Internal ONE Working Paper - CIA
Distribution Only)

SUBJECT: Indonesia

1. We have become increasingly disturbed by three developments in the Indonesian situation: (a) Sukarno's slide to the left in his domestic and foreign policies; (b) indications of discord among top army leaders; and (c) the increasing likelihood that Indonesia will attempt to force its claim to West New Guinea during 1961.

2. Sukarno's slide to the left. Sukarno has regularly vacillated in his orientation between the Communist and non-Communist elements at home and the Communist Bloc and the West abroad. However, many of his leftward moves since returning from the UN session last fall appear to go farther and to be of a

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more permanent nature than has been the case in the past. Although still operating within Indonesia's "active independent" foreign policy, his psychological affinity with the Communist left appears to be increasing. At home, the army has opposed many of his policies, while the Communists supported them, and this has been a major factor in the favoritism which Sukarno has been showing the Communists and the efforts which he has made to undercut the position of the army. Similarly, the personal diplomacy of the USSR and its extensive economic and military aid program are in marked contrast, in Sukarno's eyes, to that of the US. He appears to be convinced that the US would like to see him ousted, and he considers President Eisenhower's failure to visit Indonesia a personal affront. US economic and military aid, in Sukarno's view, is too little for Indonesia's needs and too difficult to negotiate. Probably the most significant contrast, in Sukarno's eyes, is that between the US and Soviet positions on Indonesia's claim to West New Guinea. We do not believe that Sukarno has any intention of forsaking his "active independent" foreign policy for formal affiliation with the Bloc or of putting the Indonesian Communists in a position to dominate the country. However, we see no indications of Sukarno's present slide to the left slowing down or reversing.

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3. Discord among top army leaders. The army is the only element potentially capable of restraining Sukarno or curbing the Communists. Nasution apparently is convinced that he dare not initiate a confrontation with Sukarno in the absence of a clear cut issue or extreme provocation. In view of the continuing lack of unity and the diverse loyalties among the regional commanders and troops, he will probably continue his past cautious tactics. A number of important officers in his headquarters desire a more active and militant army position in opposition to Sukarno and the Communists, and some discussions among them as to how to deal with the situation are going on. These discussions invariably touch upon coup possibilities. Although we do not believe that an anti-Sukarno coup by these officers will materialize, continued grumbling and plotting among them will almost certainly increase Sukarno's suspicions of the army, undermine Nasution's position, and lead to further army factionalism.

4. West New Guinea. Sukarno has thrust the West New Guinea issue to the fore. On this issue he is supported by virtually all Indonesian factions and leaders. Indonesian capabilities for military action against West New Guinea are

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increasing as the result of foreign military aid, particularly from the USSR. Sukarno probably has received assurances of Bloc support in an Indonesian attempt to press Indonesia's claim to West New Guinea. Sukarno probably believes that, with such support and considering the present climate of opinion among the Afro-Asian nations, he can obtain a favorable decision from the UN. We believe that Indonesia will forcefully push its case during 1961. Primary emphasis will probably be upon political means, with sufficient military action -- in the form of infiltration parties and, possibly, an invasion effort of up to battalion size and air and naval encounters -- to increase international tensions in the area and attract UN consideration.

5. Attached is a more detailed discussion of the trends and outlook in Indonesia. If it meets with the approval of the Board, we recommend that this longer paper serve as a basic draft for coordination as a special estimate in the near future.

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CENTRAL INTELLIGENCE AGENCY

OFFICE OF NATIONAL ESTIMATES

Internal O/NE
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16 January 1961

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SUBJECT: Trends and Outlook in Indonesia

I. INTRODUCTORY STATEMENT

1. President Sukarno has all but won his long-standing campaign to emasculate Indonesia's non-Communist political parties and to strip Parliament of all meaningful powers. He has concentrated virtually all governmental power in his own hands and has encouraged, if not initiated, a strong trend to the left in Indonesia's domestic and foreign policies. He has continued to protect the Indonesian Communist Party and to use his influence to increase its prestige and its role in the country's political life. At the same time he has been attempting, with some success, to undercut the political position of Army Chief of Staff Nasution and of the army, the only

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non-Communist element potentially capable of restraining Sukarno or of curbing the Communists.

2. On the international scene, Sukarno has drawn Indonesia increasingly close to the Communist Bloc. He has accepted extensive Soviet economic and military aid, and, apparently, is seeking to close the rift in relations with the Chinese Communists which developed over Indonesia's treatment of its Overseas Chinese population. Sukarno's foreign policy line now parallels more closely than ever that of the Bloc and it is apparent that he is depending upon Bloc backing in pushing more forcefully Indonesia's claim to West New Guinea.

3. Political power is still polarized between the army and the Indonesian Communist Party, with Sukarno holding the critical balance. However, anti-Communist army elements are becoming increasingly concerned with Sukarno's slide to the left and many political elements, aware that they are being squeezed out of the picture, are seeking ways to reestablish their earlier position. Consequently, political tensions in Indonesia are rising.

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II. DOMESTIC POLITICAL TRENDS

4. Sukarno has viewed Army Chief of Staff Nasution's rise to eminence over the past few years as a potential threat to his own position and he has been uneasy with the growing political power and potential of the army. His suspicions of Nasution and the army have been encouraged by the Communists, leftists, and anti-army elements which now dominate his "palace clique." Sukarno has been nettled by army resistance to some of his policies, particularly his desire to include Communist representation in his cabinet, and by the intensive campaign against the Indonesian Communist Party conducted by the army during the summer and fall of 1960.

5. That campaign has now lost momentum. It failed to turn Sukarno against the Communists, and Nasution did not press the case in the face of Sukarno's opposition. Nasution apparently is convinced that he dare not risk a confrontation with Sukarno and that he cannot successfully move against the Communists unless Sukarno is on his side, or, at least, neutralized. While seeking, unsuccessfully thus far, to turn the President against the Communists, Nasution's anti-Communist efforts have been little more than rear guard actions which harass and slow down, but do not

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halt or reverse, the steadily growing strength of the Indonesian Communist Party.

6. Nasution's knuckling under to Sukarno's wishes on a number of matters -- such as the army's anti-Communist campaign, the closing down of certain newspapers and, the banishment of Colonel Sukendro, the army's most vociferous political activist -- may have weakened Nasution's standing with some segments of the army. A number of army leaders apparently have become somewhat restless with Nasution's caution in dealing with Sukarno and his reluctance to associate himself openly with an anti-Communist army position. It is likely that some grumbling, and perhaps even plotting, is going on among the more forthright anti-Communist and anti-Sukarno members of Nasution's staff.

7. We do not believe it likely that Nasution will initiate a direct confrontation with Sukarno on the Communist issue. He is too uncertain of full army backing, particularly among the regional commanders. Except for an extreme provocation by Sukarno or the Communists, Nasution will probably continue his cautious and flexible tactics. These tactics may lead to a rupture in the generally anti-Communist front among top army leaders. It is apparent that certain officers are seeking to force Nasution to take

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a more forceful stand. It is likely that important disagreements over methods and timing in dealing with Sukarno and the Communists will continue and, perhaps increase at the top levels of army command. Such disagreements will weaken Nasution's ability to continue his war of nerves and maneuver against Sukarno, and if they become acute, could lead certain anti-Communist and anti-Sukarno army officers to attempt a coup against Sukarno without Nasution's support.

8. If the officers under Nasution were to attempt a coup, we believe that the chances would be less than /even that it could be successfully pulled off and made to stick.

Although there is increasing recognition among army commanders of the Indonesian Communists as a threat to the army and to their own personal positions, they are far from united on the Communist issue and anti-Sukarno sentiment among most of them is probably not so profound as to cause them to support an anti-Sukarno coup. The failure of such a coup would further fragment the army and probably destroy the influence and power of a number of important anti-Communist officers.

9. For his part, Sukarno probably has felt that he could not dismiss Nasution as Army Chief of Staff or otherwise reduce Nasution's power abruptly without risking an army revolt. Consequently,

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Sukarno has moved gradually to dilute Nasution's army role by assigning him additional tasks and to box Nasution in with issues which he could not oppose, such as the reorganization of the legislative branch, an arms purchasing mission to the USSR, and the West New Guinea issue. Sukarno almost certainly feels that he can continue to play off the army and the Communist Party and to control both. At present he is more suspicious of the army than of the Communist Party. However, we do not believe that his efforts to undercut Nasution and to perpetuate a certain amount of disunity among army commanders are intended to weaken the army to such an extent that it could no longer serve to counterbalance the Communists. What he does desire is to control and dominate army leadership and thereby eliminate army restraints on his policies.

10. The local Communists are prospering by posing as patriotic, nationalistic Sukarno supporters. They will certainly continue to play up to Sukarno's whims and vanity and to support his causes. Sukarno is anxious for full Communist support in his egocentric efforts to find solutions to Indonesia's multifarious economic, political and social problems. The Communists are now strongly represented in every important government body except the cabinet. Bringing them into his cabinet appears to be a focal point of many of Sukarno's recent political maneuvers.

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11. Sukarno will probably make some changes in his cabinet in the near future. However, because of resistance from the army and a number of still important non-Communist political leaders, he probably will again postpone bringing well known, leading Communists into his government and settle, temporarily at least, for the inclusion of one or two minor Communist figures in relatively unimportant posts. It is likely that Sukarno will attempt to remove Nasution from the Army Chief of Staff post within the year. Nasution has already served well beyond the normal four-year rotation period. Such an effort could lead to strong army opposition if Sukarno appeared to be attempting to weaken the army to Communist advantage or to remove key army leaders from positions of influence and authority. It is possible that Sukarno may offer Nasution the Vice-President post. We believe that Nasution would accept if the new Army Chief of Staff appointment were acceptable to him and to his circle of army colleagues. We believe that Sukarno will not risk an army confrontation on this issue.

III. FOREIGN POLICY TRENDS AND OUTLOOK

12. The Soviet effort to capture Sukarno and Indonesia through economic aid and personal diplomacy has reached very substantial proportions and appears to be making significant progress.

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Bloc economic and military aid commitments -- mostly from the Soviet Union -- are now close to one billion dollars. To date less than one-third of this has been contracted for and about \$250 million has been delivered. Most of the deliveries have been military equipment for the air force and navy.

13. Recently an Indonesian purchasing mission headed by Nasution concluded negotiations in Moscow. The agreements reached there have not as yet been made public. However, it is likely that considerable amounts of army equipment, and possibly training assistance, were contracted for. Army spokesmen have made clear their preference for US-supplied equipment and training, but they have been disappointed with the amounts of aid they have received from the US and increasingly outspoken in their criticism of the delays and red tape involved in receiving US equipment. If Nasution has contracted for more than token amounts of Soviet equipment Moscow will have scored a potentially significant breakthrough in its efforts to get at the top leadership of the Indonesian army.

14. Khrushchev has assiduously cultivated Sukarno during the latter's visits to the USSR and at the 1960 UN General Assembly session. Particularly important from Sukarno's point of view, Khrushchev supports the Indonesian claim to West New Guinea. At

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the same time, Sukarno appears to be increasingly convinced that he personally does not have the sympathy and support of the US and that the US not only would be happy to see him replaced but would be willing to assist a local initiative to this end. His suspicions of the US are buttressed by his belief that the US was behind the 1957 rebellion of the outer islands. He apparently interprets the failure of President Eisenhower to visit Indonesia as a personal snub. Moreover, the US policy of neutrality on the West New Guinea issue has always infuriated Sukarno. These international factors have accelerated Sukarno's current slide to the left in domestic and foreign policies.

15. The visit of the Karer Doorman to West New Guinea and the Dutch program to reinforce their air, naval, and ground forces in New Guinea have further antagonized the Indonesian leaders and rekindled the smouldering West New Guinea issue. In particular, Sukarno and the PKI are exploiting for their own purposes, the emotional and nationalistic response which the issue arouses among Indonesians. In addition to his own deep feelings on the subject of West New Guinea and his determination to resolve the issue by one means or another, Sukarno is using the situation -- as he has often done in the past -- to divert Indonesian attention from

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domestic problems and to create a psychological and political situation in which his political antagonists will be forced to support, or at least not to oppose, his domestic and international policies in general.

16. For the Communists, West New Guinea provides a useful issue for demonstrating their support of Sukarno, for intensifying Sukarno's distrust of army loyalty, and for creating additional tensions between Indonesia and the West. In such a situation, the army leaders have little choice but to swing into line behind Sukarno or face charges of being soft on Irian, a charge which, on that emotion-packed issue, borders on treason. Although most top army leaders are more moderate and realistic than Sukarno on the West New Guinea issue, most, if not all, of them share Sukarno's views that the Dutch presence in West New Guinea is a threat to Indonesian security and that Indonesia's independence will not be complete until Irian is liberated from Dutch colonial rule and takes its rightful place as a part of Indonesia. Moreover, there are a number of army commanders who have an intensely jingoistic and activist attitude toward the West New Guinea issue.

17. The Indonesians almost certainly have political, paramilitary, and military plans for achieving their West New Guinea

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objectives.

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and their capabilities in this regard are increasing as a result of Soviet aid to their air force and navy.

18. The West New Guinea issue has been increasingly thrust to the fore on the domestic political scene and Indonesian activity on the international political scene concerning West New Guinea has also been stepped up markedly. The Indonesian reading of the climate of opinion among the Afro-Asian countries probably leads them to the conclusion that they can get favorable UN consideration of their case. In view of these developments we believe that Indonesia is planning and will probably make a major effort to press its claim to West New Guinea during 1961.

19. Indonesia will probably continue efforts to infiltrate and subvert West New Guinea, seeking to create an anti-Dutch movement and to provoke the Dutch. A military incident, either by accident or design, could thrust the issue into international prominence. Such an incident could grow out of conflicting claims

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to a number of small islands off the coast of West New Guinea which neither side has permanently administered or garrisoned, or result from a clash of air or naval patrols. We believe, however, that the major Indonesian thrust to achieve its objectives in West New Guinea will be primarily political in nature with any military or para-military effort being designed to provide an incident of sufficient drama and seriousness to gain international attention. Although we believe it unlikely, we cannot rule out the possibility that Indonesia may try a larger scale (battalion-size, for example) operation against West New Guinea.

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